

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 ISO-00 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 IO-14 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

STR-08 SS-20 NSC-10 L-03 H-03 DODE-00 PA-04 USIA-15

PRS-01 AGR-20 SAJ-01 SCEM-02 INT-08 OIC-04 PM-07

SCI-06 XMB-07 CG-00 DOTE-00 CAB-09 FAA-00 DRC-01

EURE-00 /261 W

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P R 071102Z DEC 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC PRIORITY 1319

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

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AMEMBASSY WELLINGTON

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C O N F I D E N T I A L SECTION 1 OF 2 OECD PARIS 31320

E.O.: 11652: GDS-DECLASSIFY DEC 31, 1979

TAGS: ENRG, OECD

SUBJ: OECD OIL MEETINGS

REF: STATE 23761

1. SUMMARY HEADS OF DELEGATION MEETING AND SUBSEQUENT MEETING OF HLG PERMREPS DISCUSSED BORAD RANGE OF ISSUES RELATED TO OIL, INCLUDING VARIOUS METHODS TO DEVELOP ADEQUATE JOINT INFORMATION ON CURRENT AND FUTURE OIL SUPPLY SITUATION. REPORTS ON OIL SUPPLY SITUATION AND PROPOSAL TO DEVELOP GUIDELINES FOR BUNKERING SHIPS AND PLANES WILL BE ON AGENDA OF DECEMBER 19 MEETING OF OIL COMMITTEE'S HLG, AS WILL OECD-WIDE APPORTIONMENT SCHEME. END SUMMARY.

2. AT HEADS OF DELEGATION MEETING DECEMBER 4, SEC GEN DESCRIBED CURRENT OIL SITUATION AND RELEVANT OECD ACTIVITIES. (STATEMENT, CIRCULATED AS OECD DOC. C(73)247, POUCHED WASHINGTON). HE AGAIN RAISED POSSIBILITY THAT HE HIMSELF MIGHT EVENTUALLY CONVENE GROUP OF EXPERTS FROM MAJOR OIL COMPANIES TO REPORT ON SUPPLY SITUATION BUT IN AN EVEN MORE TENTATIVE WAY THAN HE HAD AT NOVEMBER 28 MEETING OF HLG PERM DELS. HE MIGHT CONSIDER THIS, HE SAID, ONLY IF THERE IS CLEAR FAILURE OF EXISTING PROCEDURES TO PROVIDE INFORMATION WITH SUFFICIENT SPEED.

3. SWEDISH PROPOSAL FOR DETAILED INFORMATION ON SUPPLY SITUATION STRONGLY SUPPORTED BY SEVERAL SMALLER COUNTRIES, INCLUDING SWITZERLAND, GREECE AND BELGIUM. US (BROWN) SAID NEED FOR INFORMATION AS STATED BY SWEDEN ALREADY LARGELY REFLECTED IN OIL COMMITTEE PLANS, AND US WOULD DO ITS BEST TO SUPPLY RELEVANT MATERIAL FROM EPSC SUBCOMMITTEE. FRANCE, UK, GERMANY, AND ITALY, AMONG OTHERS, CONSPICUOUSLY SILENT.

4. AT DEC. 5 HLG PERMREPS MEETING, SEC GEN RAISED POSSIBILITY
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THAT HLG COULD TO EXCHANGE INFORMATION ORALLY ON OIL SUPPLY SITUATION THAT GOVERNMENTS THOUGHT TOO SENSITIVE TO PROVIDE IN WRITING. UK REP THOUGHT SUCH AN EXERCISE WOULD BE PREMATURE UNTIL RESPONSES RECEIVED TO QUESTIONNAIRE WHICH SECRETARIAT WILL CIRCULATE TO MEMBER GOVERNMENTS SHORTLY.

5. ALSO AT DEC. 5 MEETING, UK REP SAID HE WOULD CIRCULATE
CONFIDENTIAL REPORT OF YAMANI-ABDESSELAM RECENT VISIT TO

LONDON AND HOPED OTHERS WOULD RECIPROCAT. (HE CITED AS EXAMPLE OF USEFUL INFORMATION TO BE GAINED MINISTERS STATEMENT THAT ARABS HAD AGREED AMONG THEMSELVES THAT EACH PRODUCER SHOULD CONTINUE TO REDUCE OIL PRODUCTION UNTIL POINT IT CONSIDERED ITS ECONOMIC INTERESTS WOULD BE HARMED BY FURTHER CUTS.) SOME OTHER PERMREPS EXPRESSED PERSONAL INTEREST IN SUCH AN EXCHANGE, NOTING THAT IT WOULD PRODUCE MORE COMPLETE PICTURE AS WELL AS MEASURE OF CONSISTENCY OF ARAB APPROACHES. FRENCH REP WAS SOMEWHAT RESERVED, STATING THAT SOME DISCUSSIONS HAD BEEN HELD AT HIGHEST LEVELS WITH NO REPORTS LIKELY TO BE AVAILABLE. MOST REPS SAID THEY WOULD SEEK INSTRUCTIONS ON BRITISH PROPOSAL. JAPANESE REP REPORTED THAT VICE-MINISTER MIKI WILL HEAD MISSION TO ARAB COUNTRIES IN MID OR LATE DECEMBER AND HIS GOVERNMENT PRESENTLY CONSIDERING "WHAT PRESENT TO BRING" THAT MIGHT IMPROVE JAPAN'S OIL SUPPLY SITUATION.

6. NORWEGIAN PROPOSAL TO DEVELOP GUIDELINES ON BUNKERS DISCUSSED BRIEFLY IN DEC 4 AND DEC 5 MEETINGS. NORWEGIAN REP EXPRESSED HOPE THAT OIL COMMITTEES HLG COULD AGREE ON GUIDELINES BASED ON (A) PRINCIPLE IN OECD'S EUROPEAN APPORTIONMENT SCHEME (BUNKERS IN FULL AFTER ALL POSSIBLE ECONOMIES) AND (B) NON-DISCRIMINATION AMONG FLAGS AND CARGOES. SWEDISH REP SUGGESTED AVIATION BUNKERS SHOULD BE DISCUSSED AS WELL AS MARITIME BUNKERS AND THAT PRINCIPLE OF EQUAL TREATMENT FOR BUNKERING AND INDUSTRY MIGHT ALSO BE CONSIDERED. JAPAN STILL INTERESTED IN PURSUING THIS QUESTION. US REP EXPRESSED US WILLINGNESS TO DISCUSS THE QUESTION, WHICH, HE SAID, SHOULD BE TREATED BY OECD AT TECHNICAL LEVEL INITIALLY. SECGEN SAID BUNKERING WOULD BE ON AGENDA OF DECEMBER 19 HLG MEETING, IN ADDITION TO EXCHANGE OF INFORMATION ON OIL SUPPLY SITUATION, AND OECD-WIDE APPORTIONMENT SCHEME.

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7. ITALIAN REP PICKED UP POINT RAISED BY SECGEN IN NOVEMBER 28 MEETING, READING PREPARED STATEMENT ADVOCATING EVENTUAL CONTACTS BETWEEN OECD AND OPEC IN ORDER TO ASSOCIATE OIL PRODUCERS WITH ECONOMIC DELIBERATIONS AND DECISION MAKING OF INTEREST TO THEM. US REP SAID THAT IN HIS VIEW WHEN THE QUESTION OF SUCH CONTACTS IS BEING CONSIDERED, ONE OUGHT TO CONSIDER AS WELL THE POSSIBILITY OF STATING THE ECONOMIC CONSEQUENCES OF CERTAIN ACTIONS BY THE OIL PRODUCERS AS WELL AS MEASURING THEIR CONSISTENCY WITH BASIC PRINCIPLES OF TRADE POLICY ETC. SECGEN THOUGHT THESE APPROACHES COULD BE COMPLEMENTARY. HE PLEDGED TO MAKE NO MOVES TOWARDS ESTABLISHING ANY RELATIONSHIP BETWEEN OECD AND OPEC, HOWEVER, WITHOUT THROUGH CONSULTATIONS LEADING TO CONSENSUS OF OECD MEMBERS.

8. COMMENT: A. WE WILL HAVE TO RESPOND EVENTUALLY TO BRITISH

PROPOSAL FOR EXCHANGE OF INFORMATION ON YAMANI-ABDESSAL TOUR.
THOUGH CERTAIN POLITICALLY SENSITIVE ELEMENTS OF WASHINGTON
DISCUSSIONS WILL CLEARLY NOT BE SUITABLE FOR CIRCULATION, IT
APPEARS TO US AT FIRST GLANCE THAT SOME EXCHANGE TO CLARIFY
ARABS INTENTIONS COULD BE USEFUL. WE WILL COMMENT FURTHER
WHEN BRITISH REPORT CIRCULATED. B. DECEMBER 4 HEADS OF

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INFO OCT-01 EURE-00 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

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AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 2 OF 2 OECD PARIS 31320

DELEGATION MEETING HELPED TO MOLLIFY AND TO SUPPLY INFORMATION
TO COUNTRIES NOT REPRESENTED AT HLG. HLG PERM REPS MEETING
WAS REASONABLY USEFUL IN ADVANCING DIALOGUE ON SEVERAL ISSUES.
ATTEMPTS BY SECRETARIAT AND DUTCH TO SMOKE OUT MEMBERS VIEWS
(AND FRENCH VIEWS IN PARTICULAR) ON OIL COMPANIES' CURRENT
EFFORTS AT INFORMATIONAL LOCATION OF SUPPLIES WERE NOT SUCCESSFUL.
THEY WERE NOT PRESSED BUT IMPLICATION WAS LEFT THAT QUESTION WOULD
BE RAISED AT A LATER TIME. DECEMBER 11 RESERVED FOR
ANOTHER HLG PERM REPS MEETING IF DEVELOPMENTS SHOULD WARRANT
HOLDING IT.BROWN

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